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ENTERED DEC 07 2001

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF NEVADA

In re:

NATIONAL AIRLINES, INC., a Delaware  
corporation,

Debtor.

In Proceedings under Chapter 11

Case No. 00-19258-LBR

**ORDER APPROVING DISCLOSURE  
STATEMENT AND RELATED  
SOLICITATION MATERIALS  
PURSUANT TO 11 U.S.C. § 1125**

Date of Hearing: December 4, 2001

Time of Hearing: 9:30 a.m.

NATIONAL AIRLINES, INC. ("National" or "Debtor") debtor and debtor-in-possession in the above captioned case, by and through its undersigned attorneys filed the 'Disclosure Statement Concerning the Debtor's Plan of Reorganization' on November 9, 2001, (as amended, modified or otherwise supplemented from time to time, the "Disclosure Statement"). This Court conducted disclosure statement hearings on December 3, 2001 and December 4, 2001

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(the "Hearing"). Appearing at such Hearing were representatives of the Debtor, the Official Unsecured Creditors' Committee ("UCC"), and certain other interested parties. The Court having considered the arguments and representations of counsel at the Hearing, the entire record before the Court and other good and sufficient cause appearing therefor,

**THE COURT FINDS** as follows:

A. Capitalized terms not otherwise defined in this Order have the meanings given to them in the Disclosure Statement.

B. Notice of the Hearing was sufficient under the circumstances.

C. The Motion and relief requested therein constitute "core proceedings" in which this Court may enter final and dispositive orders under 28 U.S.C. §§ 1334 and 157(b)(2)(A) and (O) and Bankruptcy Code § 105.

D. The Disclosure Statement does not contain any materially misleading statements and contains adequate information, including, without limitation, adequate discussions and disclosure of: (a) the "First Amended Plan of Reorganization of the Debtor Under Chapter 11 of the Bankruptcy Code," dated as of December 4, 2001 (as amended, modified or otherwise supplemented from time to time, the "Plan"); (b) significant events preceding the Debtor's Chapter 11 case; (c) the operation of the Debtor's business during the course of this Chapter 11 case; (d) risk factors affecting the Plan; (e) an analysis setting forth the projected cash flow and earnings of New National for the next three years; and (f) federal income tax consequences of the Plan. Accordingly, the Disclosure Statement contains "adequate information" within the meaning of Bankruptcy Code § 1125(a)(1).

**ACCORDINGLY, IT IS HEREBY ORDERED** as follows:

1. The Disclosure Statement is APPROVED for use in soliciting acceptances and rejections of the Plan from creditors in accordance with the Court's Order (A) Establishing

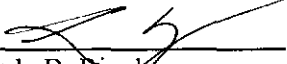
Procedures For Soliciting And Tabulating Votes On The Plan Of Reorganization; (B) Approving Form Of Ballots; and (C) Approving Notice And Publication Procedures" (the "Solicitation and Voting Order") entered concurrently herewith.

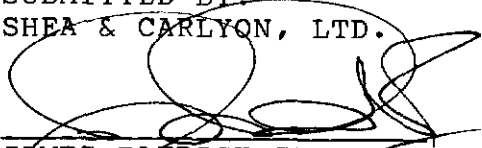
2. The Debtor is authorized and directed to commence solicitation of votes to accept or reject the Plan in accordance with the procedures set forth in the Solicitation and Voting Order no later than December 7, 2001.

3. The Debtor and the UCC may, without further approval from the Court, modify or amend the Plan, the Disclosure Statement and other supporting documents to cure any ambiguity, to correct, supplement or eliminate any inconsistencies, so long as such changes do not materially and adversely effect the rights of holders of Claims or the information disclosed in the Disclosure Statement.

4. To the extent not otherwise resolved or withdrawn at the hearing on December 3, 2001 and December 4, 2001, all objections to the approval of the Disclosure Statement shall be, and hereby are, overruled and denied.

DATED this 6th day of December, 2001.

  
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Honorable Linda B. Riegler  
United States Bankruptcy Judge

SUBMITTED BY:  
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